

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
	)	
Request for Review of the	)	
Decision of the	)	
Universal Service Administrator by	)	
	)	
Dallas Independent School District	)	File No. SLD-172949
Dallas, Texas	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Changes to the Board of Directors of the	)	CC Docket No. 97-21
National Exchange Carrier Association, Inc.	)	

**ORDER**

**Adopted:** June 6, 2001

**Released:** June 7, 2001

By the Accounting Policy Division, Common Carrier Bureau:

1. The Common Carrier Bureau (Bureau) has under consideration a Request for Review filed on February 12, 2001 by Dallas Independent School District (Dallas ISD), Dallas, Texas, seeking review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator).<sup>1</sup> Dallas ISD seeks review of a Year 3 funding commitment decision issued by SLD denying Dallas ISD's request for support. For the reasons discussed below, we deny the Request for Review and affirm SLD's decision.

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>2</sup> The universal service program has been administered to direct support toward the most economically disadvantaged schools and libraries. Under the program's discount matrix, the most economically disadvantaged schools are eligible for the greatest levels of discount.<sup>3</sup> In the *Fifth Reconsideration Order*, the Commission established new rules to govern how discounts will be allocated when available funding is less than total demand and a filing

<sup>1</sup> Letter from Ruben Bohuchot, Dallas Independent School District, to Federal Communications Commission, filed February 12, 2001 (Request for Review).

<sup>2</sup> 47 C.F.R. §§ 54.502, 54.503.

<sup>3</sup> 47 C.F.R. § 54.507(g).

window is in effect.<sup>4</sup> These rules provide that requests for telecommunications and Internet access services for all discount categories shall receive first priority for available funds (Priority One Services), and requests for internal connections shall receive second priority (Priority Two Services). Thus, when total demand exceeds the total support available, the SLD is directed to give first priority for available funding to telecommunications services for Internet access. Any funding remaining is allocated to the requests for support for internal connections beginning with the most economically disadvantaged schools and libraries, as determined by the schools and libraries discount matrix.<sup>5</sup> Schools and libraries eligible for a 90 percent discount would receive first priority for the remaining funds, which would be applied to their requests for internal connections. To the extent funds remain, the Administrator would continue to allocate funds for discounts to applicants at each descending single discount percentage, e.g., eight-nine percent, eighty-eight percent, and so on. During the third funding year (July 1, 2000 – June 30, 2001) of the support mechanism, SLD granted all approved requests for discounts for telecommunications services and Internet access and granted all approved requests for internal connections down to the 81 percent discount level.

3. The instant Request for Review arises out of SLD's denial of Dallas ISD's Year 3 application for discounted internal connections, Funding Request Number (FRN) 463039, on the grounds that Dallas ISD's request fell below the 81 percent discount level set for Priority Two Services.<sup>6</sup> On May 12, 2000, Dallas ISD filed a Letter of Appeal with SLD.<sup>7</sup> Dallas ISD stated that it incorrectly requested funding in its FCC Form 471 for internal connections instead of telecommunications services. In order to remedy its error and receive priority funding, Dallas ISD asked SLD to change its application to a funding request for telecommunications services.

4. By decision dated January 24, 2001, SLD denied the appeal. SLD asserted that it had correctly processed Dallas ISD's FCC Form 471 as a funding request for internal connections because Dallas ISD categorized its request as such within its FCC Form 471.<sup>8</sup> SLD also stressed that Dallas ISD's internal connections classification was supported by service description materials accompanying its FCC Form 471<sup>9</sup> Therefore, based on Dallas ISD's FCC Form 471 and accompanying documents, SLD

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<sup>4</sup> See *Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge*, CC Docket No. 96-45, Fifth Order on Reconsideration and Fourth Report and Order in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, 13 FCC Rcd 5318 (1997).

<sup>5</sup> *Id.* at 14938, para. 36. The schools and libraries discount matrix reflects both an applicant's urban or rural status and the percentage of its students eligible for national school lunch program. 47 C.F.R. § 54.505.

<sup>6</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Alden Gaw, Dallas Independent School District, dated April 14, 2000.

<sup>7</sup> Letter from Glorias Dixon, Dallas Public Schools, to Schools and Libraries Division, Universal Service Administrative Company, dated May 12, 2000.

<sup>8</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Glorias Dixon, Dallas Public Schools, dated January 24, 2001. See also FCC Form 471, Block 5, Dallas Independent School District, filed Jan. 14, 2000 (Dallas ISD FCC Form 471).

<sup>9</sup> In the attachments accompanying Dallas ISD's application, the internal connections that it requested funding for were described as data cabling drops to all classrooms and site electronics necessary to provide high speed connectivity with the school to increase the access speed to remote services, such as the Internet. See Dallas ISD FCC Form 471 and attachments.

concluded that Dallas ISD's request was correctly classified as a funding request for internal connections. Dallas ISD filed the instant Request for Review on February 9, 2001. Again, Dallas ISD requests that it be permitted to change its FCC Form 471 to a funding request for telecommunications services.

5. We have reviewed Dallas ISD's Request for Review and conclude that SLD properly denied Dallas ISD's request that it be permitted to modify its original FCC Form 471 to request funding for telecommunications services instead of internal connections. The record demonstrates that FRN 463039 for data cabling drops and site electronics is properly classified as internal connections.

6. Moreover, Dallas ISD's request contravenes the Commission's policy that applicants should not be permitted to amend completed FCC Forms 471 to change service categories after closure of the filing window deadline.<sup>10</sup> If applicants were permitted to correct their applications after SLD has denied them, it would eliminate any incentive to avoid making unauthorized service requests or to comply with the SLD's document demands in a timely fashion.<sup>11</sup> This would significantly increase the administrative burden SLD would face while carrying out its obligation to guard against the occurrence of errors and fraud.<sup>12</sup> Furthermore, if applicants were permitted to amend their requests after the filing window closed, it could jeopardize SLD's ability to accurately apply the rules of priority in years where requests for funding exceed the annual funding cap.<sup>13</sup> Therefore, we conclude that SLD properly denied Dallas ISD's request for funding.

7. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722(a), that the Request for Review filed by Dallas Independent School District on February, 12, 2001, IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Mark G. Seifert  
Deputy Chief, Accounting Policy Division  
Common Carrier Bureau

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<sup>10</sup> See *Request for Review by Free Library of Philadelphia, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. SLD-112605, CC Dockets No. 96-45 and 97-21, Order, 15 FCC Rcd 23,820 (Com. Car. Bur. 2000).

<sup>11</sup> See *Request for Review by Cheney Public Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. SLD-142969, CC Dockets No. 96-45 and 97-21, Order, DA 01-351 (Com. Car. Bur. rel. Feb. 13, 2001), at para. 6.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*